

**County of Placer, California**

**Reconciliation of the Statement of Revenues,  
Expenditures and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities**

**For the Fiscal Year Ended June 30, 2006**

**(amounts expressed in thousands)**

Net change in fund balances - total governmental funds (page 22)	\$ 41,031
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	53,443
Donated capital assets	3,045
Depreciation expense	(11,363)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations, disposals) is to decrease net assets.	(2,040)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.	1,917
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issue, whereas these amounts are deferred and amortized in the statement of activities.

Capital lease financing	(452)
Payment to refunded bond escrow agent	53,971
Proceeds from issuance of refunding debt	(71,454)
Premium (discount) on refunding debt	1,441
Bond issuance costs	1,876
Principal repayments on long-term debt	1,372

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(473)
Accrued interest payable	162

Internal service funds are used by management to charge the costs of telecommunications, countywide technology projects, fleet, reprographics, mail, records management, self insurance and dental and vision insurance. The net expense of certain activities of the Internal Service Funds are reported with governmental activities.

13,093

Change in net assets of governmental activities (page 17)	<u>\$ 85,569</u>
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The notes to the financial statements are an integral part of this statement.